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ABSTRACT

Restructuring is a reorganization that replaces central planning, control, and supervision with a deregulated, decentralized system in which the "bottom line" counts most. Seven explanations for restructuring are outlined, each reflecting a particular position or perspective : (1) a crisis in legitimization involving the dimensions of the effectiveness of school, equitability of schooling outcomes, and existing structures of governance and administration; (2) the concern about effectiveness manifested by declines in standardized test scores, technological changes that require a new mix of skills, and bureaucracy's lack of response; (3) the concern about efficiency, both external (funds or resources allocated at a societal level) and internal (most productive allocation of resources or funds); (4) the managerial revolution reflected by a philosophy of operation that capitalizes on the desires of individuals for autonomy, productivity, and creativity; (5) a populist movement where individuals and communities demand to have greater control over the education of their children; (6) a crisis in capitalism where there is an urgent need to accumulate investment capital; and (7) the problem of "provider capture"--a phrase describing what happens when those who provide the service operate the system in such a way that provides special benefits to their own kind. (49 references) (RR)

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WHY RESTRUCTURE?

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(Revised September 23, 1991)

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Why Restructure?

The current widespread attention to the restructuring of school systems to incorporate some form of school-based management (Lawton, 1990; Hess, 1991; Swanson, 1991) begs the question, "Why restructure?" Outlined here are seven answers to this question, each one reflecting a particular position or perspective. The seven explanations are not themselves mutually exclusive; accepting one does not mean rejecting the others. Each sheds some light on the forces, assumptions, and understandings that have given rise to the current phenomena. By extension, they are not exhaustive; no doubt others can add to the inventory of reasons.[1]

Attention to the meaning of "restructuring" is in order before proceeding to the body of the paper, since the term is used in many ways. Indeed, the popularity of the term "restructuring" is such that virtually any reform that changes the patterns of organization and responsibility in education has come to be so identified.

What is Restructuring?

For this paper, at least, the term follows the meaning ascribed by Cistone (1989) who uses it with the connotation that "perestroika" has in the U.S.S.R. -- a reorganization that replaces central planning, control, and supervision with a deregulated, decentralized system in which the "bottom line" counts most. In practice, educational restructuring of this type is associated with notions such as school-site management, school-based management, school-based budgeting, and the local management of schools. After restructuring, the central authority may remain control of the ends of education, but those at the school site are primarily responsible for the means of education and for demonstrating their success at achieving goals set both locally and centrally (Lawton, 1990). Restructuring, then, refers to a decentralized form of educational management and, often, governance within a set of agreed upon parameters.

Major reforms of the kind that fit this definition have been enacted at the national level in the United Kingdom (1988) and New Zealand (1989), at the state level in the United States (e.g., Kentucky 1989) and Australia (e.g., Victoria in the mid 1980s), and at the district level in Canada (e.g., Edmonton in the late 1970s) and the U.S. (e.g., Dade County, Florida in the mid 1980s). Recent reforms affecting Chicago provide another example, albeit one where the reform of a single school district was adopted at a state level, a rather unusual occurrence in a domain where central governments seem to prefer uniform treatment of all educational agencies.[2]

There is tremendous variety among the new structures adopted, ranging from near privatization in New Zealand to a school system of administrative "franchises" in Alberta. Lawton (1990), using a three point scale ranging from a low level of decentralization of responsibility (scored 1) to a high level of decentralization (scored 3), finds that the New Zealand reforms (with a mean of 2.4 on 12 program areas) are the most decentralizing whereas those in Rochester, New York (with a mean of 1.3 for the eight program areas for which data were available), were the least. These conclusion illustrate the findings of Prickett, et al. (1990) and Hess (1991) that school-based management is an umbrella term that covers many different approaches. Nevertheless, they all reflect a desire for "perestroika".

Explaining the Phenomenon

Seven explanations drawn from a variety of perspectives help to explain the movement to loosen controls on schools and to encourage more autonomous administration at the school level. They are 1) a crisis in legitimation, 2) concern about effectiveness, 3) concern about efficiency, 4) the managerial revolution, 5) a populist movement, 6) a crisis in capitalism, and 7) provider capture. Several explanations involve controversial assumptions or political stances. Reflecting this situation, several critiques of the various explanations also are provided.

A legitimation crisis. Habermas' (1975) *Legitimation Crisis* brought to the fore the idea that societies and institutions can experience crises in which their legitimacy is called into question by the members of the social system (Weiler 1990). Legitimacy, as used by Habermas, follows Weber's broad meaning of legitimate authority rather than a narrow, dictionary definition that equates legitimacy with legality. Quoting Weber (1968), he states that the concept

> directs our attention to the belief in the legitimacy of orders. . . and their potential for justification, on the one hand, and their factual validity on the other. The basis for legitimacy reveals "the ultimate grounds of the 'validity' of domination, in other words . . . those grounds upon which there are based the claims of obediency made by the master against the 'officials' and of both against the ruled. (p. 96)

What has come into question, it would seem, is the very legitimacy of existing educational systems. This phenomena, while widespread, is by no means universal. The loss of legitimacy, where it has occurred, has involved at least three dimensions.

First, there has been concern expressed about the effectiveness of school, a point discussed more fully later. This concern becomes reflected in public doubt about whether the schools are able to carry out their responsibilities adequately. Phenomena such as high dropout rates, graduation of "illiterate" students, violence and drug dealing in the halls, and so forth create doubts about the efficacy of school operations. Put another way, there are doubts that the "technology" of teaching and school administration is adequate to meet current challenges.

Second, even where schools seem to be performing at minimum standards, doubts have arisen as to equitability of schooling outcomes. On the one hand, critics on the left see few benefits arising from the educational system for those from minority groups or from lower socio-economic groups. Since education systems were in large part founded upon the notion that educational advancement is linked to social advancement, recent evidence that increasing levels of education (short of a college degree) have lost at least economic benefit, suggest that a ruse has been committed. At the same other, critics from the political right perceive a lack of academic rigour that is needed for economic maintenance and development. Unemployable graduates coexisting with unfilled jobs implies a lack of structural fit between the products of the educational system and the needs of the economy. Left and right agree, if not on the specifics of the problem, at least on the general notion that the structure of educational system needs change.

Finally, and perhaps most important, existing structures of governance and administration are seen as incapable of addressing the technical and structural shortcomings of the public educational system. Assuming a rationality that may not exist, critics suggest that educational governing agencies ought to be able to design policies that can be implemented throughout the educational bureaucracy to bring about change in the school and classroom that fulfill the evident shortcomings. When such action is not forthcoming, the legitimacy of the entire edifice is questioned.

Why can't the educational system respond to these challenges? Meyer and Scott (1983) argue that there is, in fact, no technical linkage between the governance/administration of education and the operation of schools and classrooms. Not even loose coupling may exist between two. Instead, they suggest that the educational system is held together by a "logic of confidence", which people take for technical rationality when things are working. When they are not working, attempts by school administrators to implement new, technically rational, "fixes" reveal that the technology of education is, in fact, poorly understood; as a result, most intervention programs fail. The claim of technical expertise by educational administrators is seen to be hollow; the bureaucracy, whose major function, Meyers and Scott indicate, is buffering the school from the political environment, is then seen as an obstruction rather than an instrument of purpose. The political masters, intent to preserve their own legitimacy, are then moved to one of two actions: sacrifice their administrative subordinates or take control into their own hands and attempt to do politically what could not be done professionally. Most often, decisions have been taken which do some of both; that is, downsizing of the bureaucracy and decentralizing some authority while simultaneously centralizing the remainder.

Restructuring, by focussing on the school based management, brings about a redistribution of the responsibility for addressing political and technical problems. Operational personnel -- teachers and administrators -- are vested with the primary authority and responsibility for solving the technical problems in the classroom and school. Accountability may be through a simplified administrative structure or to a local school council or governing body. In the latter case, some of the political responsibility is also decentralized, thereby divesting the central agency or governors of the burden. Call it "downloading" or "passing the buck", the problem of

legitimacy is passed, at least in part, to the very individuals whose loss of confidence in "the system" forced change in the first place. If they cannot solve the problem which others could not, it becomes "their" fault and central agency's legitimacy is not threatened.

The crisis in Chicago's educational system perhaps best reflects a case where the loss of legitimacy brought about the virtual collapse of the system. Ineffective schools, well documented by social and political activists, near bankruptcy, a crucial teachers' strike and the inability to address its problems brought the system into disrepute. Its appointed trustees lacked even the usual cover of democratic respectability and its administrators protected their positions even while fiscal restraint reduced the number of teachers. The State of Illinois ultimately intervened, much at the behest of the activists, to redesign the system, removing substantial economic, administrative, and political power from both local trustees and administrators and reallocating it directly to the schools. To enhance legitimacy, some of this power was vested in elected school councils (Hess, 1990). Even the legitimacy of these was brought into question by the courts, which found their method of election fell short of meeting the key principal of democratic governance: one person one vote. Although, as Hess (1991) reports, administrative staff are trying to reassert themselves and the school councils have, for the interim, been made appointive, the crisis of legitimacy was so severe that one expects the commitment to decentralization will remain, if only for political reasons. The technical shortcomings of decentralization as a panacea, implied by Meyer and Scott's analysis, are now becoming evident, so the search for a complementary technical response is now underway.

Even if technical problems are solved at the school level, there is no clear account of why or how structural problems with linking policy to practice will be solved. One interpretation is that a combination of local community responsibility and adequate school performance would prove to calm the crisis if not solve the fundamental problem. A second argument is that local, consumer oriented education will facilitate the development of an institutional diversity that allows different groups to realize their own aspirations through the schooling system. The political right supports such views, arguing that choice breeds success, and that no choice exists without diversity. The political left can also see promise in diversity, seeing it as a reflection of "power equalization" in a post-modern or post-liberal society. As yet,

however, such alternative scenarios are at most hopes; the best guess is that differences in achievement linked to socio-economic background will remain after restructuring but simply be hidden from view by the apparent responsibility of the local community (Middleton, Codd & Jones, 1990).

Concern about effectiveness. Although debates about the effectiveness of public school systems have been endemic for much of the post-war period, they seemed to have peaked in the early 1980s. In large part, the concern appears to have been precipitated by labour and economic problems that were unveiled by the the 1981/2 recession, the worst since the Great Depression of the 1930s. Throughout Europe, North America, Australia and New Zealand, high rates of unemployment among youth, declining rates of return for investment in secondary education, and changes in the nature of jobs that were available, suggested that educational systems were providing neither an adequate nor relevant education. Further evidence for educational inadequacy was provided by declines in standardized test scores in the United States and the mediocre to poor performance by American, Canadian, British and Australian students on international assessments.

Ineffective educational systems, in short, were indicted for failing in the role of developing human capital for the benefit of both individuals and of society. A major purpose of school is, presumably, to develop the attitudes and skills necessary for steady employment (Premier's Council, 1989; 1990). Parents, co-producers in the endeavor, have a fundamental interest in the quality of education their children receive. Evidence that parents' investments in the form of taxes and their children's investment in terms of their time and effort were not resulting in a positive pay off indicated the educational system had not kept its part of the bargain. Investment that should have resulted in the creation of a stock of human capital to which youth would have property rights resulted, often, in nothing of the sort. In short, families had been robbed.

Others might argue that the problem was one of an economy beset by technological changes that required a new mix of skills. Increasingly, jobs require skilled not unskilled labour, even if the key skills have more to do with comportment, speaking, and smiling -- as they often do in service sector jobs -- than operating a lathe or stamping press. However, to the educational consumer, the resulting

impact was the same. It was the educational system's responsibility to offer appropriate programs.

When bureaucratic control fails, an alternative control mechanism exists. Economists such as Friedman (1962) and, more recently, Chubb and Moe (1990), argue that the marketplace is a more efficient method for matching the needs and desires of investors (or consumers) with the products and services that are available (or can be available). Ineffective producers, they argue, are winnowed out as demand shifts to those who produce desired results. While there are other critiques against bureaucracy, discussed later, the key indictment here is that bureaucracy's lack of response, its commitment to uniformity and standardization, and its susceptibility to political rather than economic forces result in an inability to respond appropriately.

Reforms in the United Kingdom reflect, in many ways, the deregulatory, market oriented solutions economists might dictate, even to the point of allowing schools to "opt out" of their Local Education Authorities to collect funds from the central government. The Education Reform Act of 1988 followed earlier reforms of a similar ideological character that provided private school tuition for good students from LEA schools. Concerns held by the Conservative Thatcher government about domination of some LEAs by the Labour Party was a major impetus to these reforms, and reflected the idea that parents and not political parties should determine the nature of education children received. Having said this, the concurrent introduction of a core National Curriculum provided the central government control (or apparent control) over the "what" if not the "how" of education, perhaps reflecting government suspicion of the "political correctness" of the teaching staff as much as a desire to ensure, as Britain moved toward greater integration with Europe, a firmer hold on the national development of the young. The prime motivation, however, was to set impartial "standards" against which the relative performance of schools and youth could be judged; without such regulatory quality control, there could be no assurance to the body politic that promised results were being delivered.

Concern about efficiency. Hanushek (1981), in a widely referenced article, "Throwing Money at Schools", suggests the that the perennial approach of providing additional funds to solve educational problems is wasteful. Critics in

Canada (e.g., Premier's Council, 1989) have noted that even as enrolments in schools have declined, expenditures on education have increased -- but with no notable effects on the achievements of students. Even those who sympathize with the plight of education, such as W. Brown (1989), admit that variation in expenditures seem to bear little relationship to school outputs, and some (e.g, Coleman, 1989), indicate the relationship may be negative! The implication of all these reports is that many current educational systems are inefficient.

Efficiency is a term with many different connotations, from simple interpretations that equate it with low costs, to more sophisticated distinctions such as those made by economists (e.g., Woodhall, 1989; Harrold, 1982). A key distinction is between external and internal efficiency; and internal efficiency can be separated into two types, technical efficiency and price efficiency.

External efficiency is concerned with the amount of funds or resources allocated at a societal level to education in competition with other sectors, such as health, capital investment, consumptions, etc. The key question is whether one particular division of the societal income among competing sectors is optimal -- i.e., whether it provides greater social welfare than any other allocation. If, for example, reallocating money from education to capital investment will produce increased benefits to some that offset any losses to others, then the alternative allocation is more efficient. The notion that the most efficient allocation is that which provides the greatest social benefit is usually referred to as Pareto efficient, after the 19th century Italian economist.

As one example, critics of current funding levels for education in Canada (e.g., Easton, 1989) emphasize that Canada spents more per pupil on education than any other OECD county except Sweden, without noticeably superior results, even while the government borrows money to fund a high level of social services, keeping interest rates high.

Internal efficiency concerns the most productive allocation of resources or funds among different types of resources that are needed to provide a particular good or service. The efficient allocation of goods relates to technical efficiency, and the efficient allocation of funds relates to price efficiency. The two may not be the same since the substitution of cheap inputs for expensive inputs may prove equally

productive but less costly. Hanushek, for example, decries the low level of internal efficiency in education, suggesting that funds are not allocated to provide the "best" inputs; indeed, he concludes that funding is unrelated to the quality of inputs. As a result, educational systems tend to exhibit low degrees of both technical and price efficiency.

To increase internal efficiency, many suggestions have been made, a number of which involve closer price links to the quality of inputs, such as the skill of teachers. Current teacher remuneration tends to be linked to the experience and academic qualifications of teachers; research on educational production functions tends to suggest that experience has a positive relationship on teaching quality for, at most, the first five to seven years of teaching, and that academic degrees bear no relationship. As well, this line of research indicates that the decades old trend of reducing pupil/teacher ratios is wasteful, since PTR and class sizes do not bear any relationship to student academic achievement. By implication, educational systems with larger classes and more skilled teachers (who would receive higher pay) would be more effective than present systems, yet cost no more.

Greater efficiency mighty also be had by making structural changes in educational systems. Although these ideas are developed more fully later, it is worth noting that bureaucratic allocations, which tend to emphasize uniformity, are generally inefficient since they fail to recognize individual school and classroom level needs and capabilities. Local allocation decisions that are able to tailor the mix of inputs to reflect local characteristics and prices will generally result in greater internal efficiency. In short, school-based management will prove more efficient than system-wide management, assuming that the same levels of decision-making skills are available. Demands for greater efficiency translate into demands for restructuring and decentralizing education systems.[2]

The Managerial Revolution. "Let managers manage" is a slogan that epitomizes a contemporary view about how organizations, private and public, can be more effective and more efficient. It reflects a philosophy of operation that capitalizes on the desires of individuals for autonomy, productivity, and creativity, even at a cost of a loss of central control. The notion that organizations of all types are social inventions rather than reified entities to which obedience must be paid permeates contemporary thinking (e.g., Greenfield, 1975 ; Morgan, 1982). This is not to say that

operating units, be they plants, departments, or schools, are totally independent of some central authority. Instead, the roles of "centre" and "periphery" are being redefined and clarified. The notions that effective organizations may be "loosely coupled" (Weick, 1976) or use a combination of "tight-loose" control--control that is tight on objectives but loose on procedures--has redefined the notion of how organizations should be run.

The loser in all this is the traditional bureaucracy with its emphasis on centralized decision-making, control, uniformity, close supervision and commitment to "standard operating procedures". The attack on bureaucracy has come from many angles, philosophical, social, technological, and practical. Perhaps practical difficulties were paramount: bureaucracies came to be seen as inefficient institutions unable to achieve their mandated purposes. Critiques such as those by Hirschman (1970) and Niskanen (1973) suggest bureaucracies, especially those involving public monopolies, were perverse in their rewards, benefiting their own members more the those they were meant to serve. As well, as the environment became more turbulent, central agencies were seen to suffer from an inability to cope with the flood of information needed and available for appropriate decisions.

Peters and Waterman's (1982), **In Search of Excellence,** celebrates companies in the private sector that exhibit tight control over goals and possess an overriding vision, but at the same time focus on results rather than procedures. Successful managers, they suggest, are held accountable for achieving objectives, not following rules.

In education, these ideas were early evidenced in the reforms adopted by the Edmonton, Alberta school district. Its superintendent, Mike Stembitsky, (McConagahy, 1989) convinced his school trustees to support introduction of a school-based management system that clarified both the lines of control and accountability. Each employee became answerable to one an only one superior (the principal to an assistant superintendent) and, in the case of schools, parent surveys of satisfaction were introduced to measure success (D. Brown, 1989).

"Managerism", as the critics of this new movement termed it, made major inroads in Australia, as well, where the Labour-controlled Commonwealth government in Canberra adopted new management practices in all its agencies. As well, individual states were encouraged to follow suit. In Victoria, as one example, the government

moved to create "a streamlined corporate style education ministry" (Babcock, 1988, p. 5); the Director-General of Education, previously the paramount post for professional educationists, became the General Manager of Schools, a term position open to "professional managers" from throughout the civil service. Badcock (1988, p. 318)), quoting Bryson (1986) agrees that "public administration in Australia, and in Victoria in particular, has imported from private enterprise a 'technocrat' ideology of supposedly 'value free' management techniques". At the local level, the use of school-based management, already evolving, was further extended (Chapman & Boyd, 1986).

Although these managerial reforms tended to be defended in terms of the increased efficiency and effectiveness they would bring, there was also a strong desire by politicians to wrest control over education away from educators and to place it under their own control (e.g., Badcock, 1988). Managerial reforms can thus be seen as an instrumental response introduced for other, political, reasons rather than for their own merits.

A balanced view, taken by Aucoin and Bakvis (1988), is that politicians, accountable to the public for the performance of a government agencies, found that traditional structures did not provide the results expected. As they put it, "Almost everywhere, from Ottawa to Moscow and Washington to Paris, highly regulated and centralized structures and processes of public administration have been subject to plans or proposals to deregulate management and to decentralize administrative systems. At the heart of this global concern is the capacity of the modern state, as a complex organization, to respond effectively to turbulent environments on the one hand and to overcome as much as possible the rigidities and pathologies of bureaucratic structures on the other (p. 2)." Their analysis concludes that there are some things that centralization promotes (coordination and integration, uniformity and standardization, and economics of scale) and others that decentralization facilities (particularity and specialization, flexibility and responsiveness, and efficiency and effectiveness). "Because governments strive to accommodate . . . all of these criteria in their organizational design for management, the result at best will be . . . [a] tight-loose configuration (p. 118)". A key problem in this is ensuring that the knowledge vested in decentralized units is available to senior management and politicians for the development of policies and programs. Complementary facets of organization design, therefore, are "flat" management structures and a "matrix" organization that

facilitates talk across organizational divisions. For them, restructuring is a practical matter of capitalizing upon new insights into the effective management of organizations, as rational in design as traditional bureaucracies but based on a new philosophy of management.

A Populist Movement. Populist movements are denoted by their grass roots' origins and attention to issues that touch the common people; they often address inner needs brought about by frustration rather than insights developed from cogent analyses of social and political problems (Hoffer, 1966). An argument can be made that a congruence of factors, including the demographic characteristics of "today's" parents and a reaction against the homogenizing effects of "modernism" support a demand both by individuals and by communities of various sorts to have greater control over the education of their children.

In a number of nations, we are currently experiencing the peak of the "echo" to the baby boom; that is, the post-war baby boomers are now engaged in reproducing themselves. Even though the fertility rate in virtually all developed nations (which ranges from about 1.3 to 1.7 children for each woman over lifetime) is significantly below the rate needed for full replacement of the population (a lifetime fertility rate of about 2.1 per woman), there are more children being born than at any time since the late 1960s simply due to the size of the baby-boom population cohort (Foot, 1989). As has always been the case in the post-war period, what interests the baby-boomers interests politicians, the media, etc. (Witness the recent spate of movies about parenting). Quite clearly, education is on the political agenda for this if no other reason. In addition, the baby boomers are the best educated generation in history. One thing education brings is a commitment to further education: for oneself and for one children. This a generation of well-educated "consumers" of education who exhibit the "yuppie" syndrome of a commitment to quality; they shop for quality in education as much as they shop for quality in other aspects of their life. They are not about to leave the education of their children in the hands of faceless bureaucrats who believe that the "one best system" (Tyack, 1974) is suitable for their children. If need be, they will abandon the public system for private schools where they can exercise their full rights as consumers to choose (and pay for) the best.

In different nations and areas the quest by parents for the best education for their children is exercised in different ways. In the U.S., the traditional procedure is

selecting a home and community on the basis of its schools. American real estate guides often carry data on the dropout rates and percentage of students who attend postsecondary education for each school district in a metropolitan area. Choice in schooling exists, if one has the pocket book for it. Reforms such as California's 1988 Proposition 98 requires "school accountability report cards" that inform parents, and potential clients, about each school's performance, including standardized test scores, costs, class sizes, and absenteeism and dropout rates. In Australia, Commonwealth funding for private schools has stimulated the expansion of this sector to meet the demands of parents who, heretofore, lacked the means to send their children to such institutions. Even though the excessive dropout rates experienced in public high schools (formerly over 50 percent) have been declining, private schools are still seen as a necessary investment if a child is to proceed to university. In Canada, parental efforts have been directed at lobbying for French-immersion schools that offer programs that will lead to bilingual offspring well prepared for the Canadian civil service and corporate management in a bilingual (French/English) environment.

Contrasting with the mainstream's utilitarian approach to the education which sees choice and control as a route to high quality education, those out of the mainstream have been demanding control over the education for the purposes of cultural survival. In Canada, examples include the demand by native bands for local control of schools on their reserves, the demand for French-language speakers outside of Quebec and New Brunswick for public school systems of their own, and the demand by Roman Catholics in Ontario for publicly funded secondary schools (Lawton, 1991). Similar demands have been made, and met, in Australia and New Zealand by aboriginal peoples. In the latter, one purpose of the movement toward school councils was to facilitate the development of Maori schools at the parents' behest, should the local public schools be unable to deliver adequate programs to the Maori community (Irwin, 1990).

While the demands for choice by the mainstream population reflect traditional liberal values for the protection of individual rights, those for selective programs reflect a desire for the recognition of collective rights. The latter phenomena, termed the "new tribalism" by **The Economist** (1990), is driven by a desire to retain the sense of place and time that many groups have begun to loose in the modern

world. The need for "humus", a rootedness in the soil of one's ancestors, perhaps reflects a fundamental human need.

Demands for choice, control, and a recognition of collective rights can be met by various educational structures. As noted, New Zealand has used a highly decentralized approach to address the "particularistic" demands of its Maori population whereas Ontario, Canada has used overlapping public, Roman Catholic and French-language regional school systems to fill a comparable request. The analysis of organizational design options that is part of the managerial revolution suggests that decentralization is an appropriate response; these two responses reflect different structural responses, both involving decentralization, the first emphasizing the school and the second the region.

The social forces which I have characterized as "populist movements" account for much broader changes than just those in government education agencies, of course. Canada may yet come apart at the seams because of them; alternatively, the new management practices are social inventions that may serve to preserve the nation (Matkin, 1991). Gorbachev, too, may find a solution in restructuring, although at the time of writing, one suspects he wishes he had never endorsed "perestroika".

Some writers (e.g., Irwin, 1990, in the case of New Zealand) have chosen to link the populist forces described here to the issue of equity in education. Traditionally, both horizontal (equal treatment of equals) and vertical equity (unequal treatment of unequals) has been associated with the centralist policy of equalizing resources to schools in different geographic areas or of providing extra resources where needs were extreme. The emergent view is that these efforts have failed if one is to judge by the criterion of equal outcomes rather than equal inputs, and that they facilitate the imposition of one set of values on a heterogeneous population. Their failings suggest that instead of equalizing program and funding, one ought to the equalize power by reallocating both economic and political resources to the local community or identified collectivity. Then, those whose education is at stake can realize their own values. Instead of passive recipients they become active participants who are motivated to form their own visions and means for achieving them. The equity that is achieved, according to this view, is not equality of outcome **per se**, but more of an equality of status, self-regard, and efficacy.

A Crisis in Capitalism. "Money", the saying goes, "makes the world go round". On this, at least, capitalists and Marxists agree. A current analysis largely developed by the latter group holds that contemporary Western democracies based upon capitalistic economic systems face a financial crisis. In this view, a critical contradiction exists: money must be accumulated and invested by individuals in order to create the wealth that the political system, in part, redistributes. However, the majority of voters are themselves wage earners who profit more from the redistribution of wealth by government than from the income arising from accumulated capital. As a result, politicians in these nations, to please the majority of voters, have consistently distributed more wealth than is being created within their economic system. The result is a crisis in capitalism; that is, there is an urgent need to accumulate investment capital.

A result of this crisis, the analysts suggest, is that Western democratic governments are making a concerted effort to reallocate income away from public services and toward the accumulation of private capital. Evidence cited in support of this conclusion include the reform of tax systems to reduce income taxes, especially on capital gains, and the introduction of consumption taxes. The first encourages individuals to work harder and produce more (thereby increasing income); the second discourages them from spending (thereby increasing the inclination to save). Further evidence is found in the supposedly excessive budget deficits carried by central governments. Such deficits have become central political and economic issues in Australia, New Zealand, Canada, and the United States and attempts to reduce the deficits have focussed on program cuts rather than tax increases. Even though cumulative debts have often declined as a percentage of Gross National Products over the past decade, their sizes in current dollars have tended to grow and increasing percentages of national tax revenue have been devoted to their repayment.

The reduction in public services creates both political and practical problems. First, the majority of voters will lose benefits in the process, which will cost the government support. Second, government agencies often lack the skill and commitment to engage in service reduction; across-the-board cuts that take a little away from everyone are more easily implemented than is a careful analysis of priorities and needs that might reveal where the losses, political and practical, caused by funding cuts would be minimized.

Restructuring, including decentralization of both political and administrative responsibilities, is one practical solution to this crisis. By transferring authority to those at the operational level, greater allocative efficiency is likely to occur since the requisite knowledge for good decisions is most likely to be available. As well, if local communities are involved in the process, as with school based management, then they can both choose what services are most valued and least valued, and carry the political burden of justifying the decisions. In this way, central government obtains decisions that are likely to be sound technically and of little political cost.

Some writers, such as Carnoy and Levin (1985), previously critical of government agencies, have come to recognize that radical decentralization can be a major threat to the welfare of many of those who benefit from government services. Government agencies are more likely than private enterprises to adopt policies that create employment opportunity for women and minorities. As a result, reductions in the size of bureaucracies may be disadvantageous to groups targeted for assistance. Evidence of the validity of this claim was quickly evident in New Zealand, where virtually all of the new principals employed by locally elected school councils were men. No longer was there a centralized bureaucracy to allocate positions on a basis that would increase the representation of women. Further, the allocation of political responsibility to local communities or collectivities absolves the central authority of much of the responsibility for the welfare of minorities. If these groups cannot meet the challenge, it can be seen as "their own fault"; if they choose male rather than female, principals, it is "their own business".

The validity of these arguments about the capital crisis does not depend upon one's political stance. One can argue that the "crisis in capitalism" extends to the governments of Eastern Europe where systems of socialist "state capitalism" are in even deeper difficulty. Only several Pacific-rim economies, such as those in Taiwan and Japan, seem exempt from these problems. Their political and economic systems are notable for the relatively low proportion of national income devoted to public services; far more responsibility for individual and general welfare remains a private responsibility. Some suggest that the global economic competition is forcing a reconciliation of social policies in which the policies of the most competitive economy will prevail elsewhere. If this is the case, then restructuring may be seen

as the first step in a long journey of decreasing public expenditures in Western democracies.

Provider Capture. Who benefits from government services? The conventional answer has been the public -- the public that enjoys the good or services being provided by a government agency. An alternative answer, however, is that those employed in the agency itself are the key beneficiaries. The notion of "provider capture" is used in two ways. First, it implies that those who provide the service capture the benefit. This situation can occur with social services, such as welfare, health care, and education, where the vast majority of the funds allocated go to pay for well-educated, middle class individuals who provide the service. Second, because these individuals operate the system, they may also operate it in a way that provides special benefits to their own kind. While this latter interpretation may not be as applicable in the case of welfare or even health care agencies, it certainly exhibits a high degree of face validity in the case of education. Most public educational systems reflect the values of their employees: mainstream, middle-class, Euro-centric (in the case at least of Australia, New Zealand, Canada, the United States and Britain). Those not possessing or willing and able to adopt identical or compatible values will be left out, passing by the wayside.

That bureaucracies serve their members better than their clients has been a common theme of recent critiques, from the Peter Principal to Niskanen's (1973) **Bureaucracy: Servant or Master?** The latter argues that, whereas private enterprises seek to maximize profits, government bureaucracies seek to maximize their own budgets. Larger budgets bring more responsibility, more staff, more status, and more perquisites. By inference, restructuring, deregulating, privatizing, and the like may help to make government services more responsive to clients and less likely to behave in the interests of their employees unless, in doing so, the clients interests are served. That is, a form of "market discipline" is brought to bear by producing public service via competitive agencies. Rewards come to those who best serve the public needs, not those who are closest to the political centre.

Provider capture of the nature of service being provided is also challenged by restructuring. With political and administrative decentralization, communities and collectivities can affect, through voice or choice, the values promulgated, services delivered, and staff employed by a government agency. In the case of school-based

management, locals can be empowered to ensure that their values, and not those of some other group, are reinforced by the flow of public funds.

The New Zealand Treasury (1988), which developed reports that defined the scope of its nation's reforms in education and other services, relied heavily upon the notion of provider capture to rationalize its suggested changes. Even though educators were major supporters of the Labour government then in power, the commitment of government to the rank and file in society--including disenfranchised minorities-- and the nation's difficult economic situation moved it to act. Critics such as Grace (1990) argue the reform amount to the "commodification" of education, in which education is treated as a wholly private, rather than public, good. Certainly, a focus on income streams rather than transcendant achievements tends to move one away from concerns about the ultimate ends of education.

Critiques of Restructuring. The seven rationales, explanations, or justifications for restructuring seem to provide adequate evidence for its use in addressing the problems governments face in providing social services such as education. It seems there is a rationale to satisfy almost any critic. Yet, as was hinted in several places above, alarms have been raised from several quarters about the actual impact from restructuring.

Criticism from the "far left" focuses on the final outcomes that arise from restructured educational systems. On balance, it is argued that deregulation, choice, local control, and the like will ultimately favour those with greater personal and family resources. Such families and their children, it is argued, will be able to make better informed decision, exercise greater political control, and acquire greater financial resources than will others. Greater inequality will result, with the best getting better; the education gap between rich and poor will widen. At the same time, blame will be decentralized: each family and each community will be responsible for its own fate. Central agencies will no longer carry the political burden of confronting those who accuse them of ineffectiveness and inefficiency. In addition, government will have yielded much of the power to set social objectives; implementation of reforms will be more difficult since the administrative structures needed for implementation and enforcement will no longer exist.

Conservative critics agree, at least, on the last point. For them, however, the loss of central power to encourage and maintain proper socialization is decried, not the loss of the central authority to reform. Particular concern is voiced about school-based curriculum that might result in schools that are committed to ethno-cultural ideals outside the mainstream. A vision of social fragmentation in which centrifugal forces tear apart the body politic dominates this perspective. Some reforms, including those in the United Kingdom, have taken this concern into account by the centralizing control over the goals and core content of education, even while decentralizing management. That is, a tight-loose management approach is used to set standards while encouraging local initiative in fulfilling the objectives.

Conservatives also see opportunities for potential abuse in school-level control, particularly if teachers are able to capture the process of school governance. At the national or regional level, the public at least has some power to counter the weight of powerful teachers' unions. But, at the school level, the potential for these unions to overwhelm unsophisticated parents is viewed with concern. If school-based management is to be introduced, they suggests that lay control must be assured.

Between these two positions is the critique of the mid-left (e.g., Grace 1990; Capper 1989) which, while supporting greater diversity, argues that the dominant philosophy underlying decentralization in education reflects the utilitarian assumptions of human capital theory. That is, children are seen primarily as competitive individuals whose primary value lies in the future ability to work and generate wealth. Educating children is a matter of developing the "human infrastructure" to complement new investments in the physical infrastructure. Such a perspective, these critics argue, is dehumanizing and ignores the need to relate the individual to a broader spiritual and social order.

The only criticism of restructuring that seems to have been successful is that which supports a hold on educational goals by central agencies. As noted, reforms in the U.K. and New Zealand have clearly mandated core areas that all schools must incorporate into their program. The British are accomplishing this through a national curriculum and New Zealand via mandated elements that must appear in each schools' charter and the continuation of national examinations.

This victory for the centralization of goals is not inconsistent with balanced models of restructuring, but does retain the element of political control that at least some, such as Chubb and Moe (1990), argue creates havoc with the efficient operation of schools. As new governments take power, they will inevitably exercise their "right" to instill their values in the curriculum. And, has recent events in Victoria, Australia have shown, a government that finds it difficult to implement its vision through a restructured system may resort to the recreation of a control oriented bureaucracy to accomplish--or try to accomplish--its objectives. In Victoria's case, the Labour government's plan to reconstitute the secondary education curriculum in an unstreamed, egalitarian structure, has encountered such resistance that government is recentralizing its power (Bessant, 1988). Whether Victoria's experience reflects a failure of restructuring or the simply a return of the pendulum, as the government oscillates between decentralization and centralization, is yet to be seen.

Conclusion

Restructuring of educational systems is a widespread phenomenon supported by a diversity of perspectives. This diversity of rationales means that almost any individual can see virtue and promise in the new structures. The successful aspects of current or recent structures are taken for granted or forgotten, while the promises for new achievements that lie ahead incite commitment. The impetus for change is strong, even if risks are involved.

The political, economic, and cultural context of each jurisdiction that has moved to restructure its educational system can probably explain why a certain option has been selected (Marshall, Mitchell & Wirt, 1989). One or more of the explanations provided here may appear "right" in any given circumstance. Equally true, reasons that explain why restructuring has not appealed to jurisdictions may include the absence of the phenomena described. At very least, the message of this paper is that one should look beneath the surface of proposals to restructure school systems and to explore the assumptions and expectations held by those promoting change. One is likely to find that advocates hold diverse and contradictory positions. When these positions become manifest, they may provide the energy for successful change as a common front is formed, with each person seeing an opportunity to realize

strongly held objectives. However, conflicting values may also set the stage for disaster as debate emerges over opposing ends and means.

Notes

1. The insights included here reflect readings cited, interviews in several school systems in Canada and the U.S., and observations collected during a sabbatical sojourn of the Pacific basin, including Hong Kong, Australia, New Zealand and Hawaii, all of which are currently embracing some type of restructuring plan focused on greater decentralization to the school level. The nature of the paper is such that claims for the validity of the answers rests on their explanatory power rather than the particular data base I have used. Similar analyses have been made by Capper (1989) and Weiler (1990).

2. Restructuring, when not applied to decentralization of school system as in this paper, may be applied to the teaching profession as implied in this analysis. Schemes for merit pay, teacher career ladders, and the like, are common examples. See, for example, Cibulka (1989). For further information on restructuring of school systems, see Caldwell (1990). As well, there exists a growing literature on restructuring schools (see David T. Conley, 1991).

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